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**No. 1027**



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10 July 1981

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No. 1027

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## BRIEFS

GELIGNITE CACHE--A briefcase containing 36 sticks of gelignite, a detonator and timer was found last month at the University of NSW. The explosive material "wouldn't have needed wiring to go off if they started sweating," the secretary-treasurer of the Students Union, Mr Greg O'Connor, said. The case was found at the university's lost property section. Mr O'Connor, said the case had been deposited in November. Security men discovered the gelignite after a routine six-monthly check of unclaimed articles. The most recent case of a security emergency at the campus was the evacuation of the library this week after a bomb hoax. It is understood that at least 2000 students were inside the building as emergency safety procedures swung into operation after police had been notified of the bomb claim. In another incident last November, Unisearch House, a research building on the Kensington campus, was cleared after a bomb hoax was received. The hoax coincided with a function to be held by a Yugoslav political group. There also have been several reports in recent months of women students being raped on the campus grounds. [Text] [Canberra THE WEEKEND AUSTRALIAN in English 13-14 Jan 81 p 3]

CNO: 4220/6019

BIRMA

**BRIEFS**

**PEOPLE'S ARMY WEAR SANDAL--**On 17 June, a people's army unit attacked and overran the enemy's (Nan Weng) Camp near Nankham. The people's army seized from the enemy 1 carbine, 11 rifles, 1 stick, 5 mines and over 500 rounds of assorted ammunition. [Text] [REF51744 (Clandestine) Voice of the People of Burma in Burmese to Burma 1200 GMT 5 Jul 81]

CSD: 4211/24

## MALDIVES

### CAN TO BE DEVELOPED AS INDUSTRIAL, TOURIST SITE

SD41405 Hong Kong AFP in English 0605 GMT 4 Jul 81

[Article by Dilip Ganguly]

[Text] Male, Maldives, 4 Jul (AFP)--The Indian Ocean Republic of Maldives today finally sealed the issue of leasing the strategic former British Royal Air Force base in Gan with the announcement that it proposes to develop the area as a free trade industrial zone and tourist resort.

"The issue of Gan is finally sealed, its fate decided...It is no more up for lease to anyone," Maldivian Foreign Minister Fathulla Jameel told Agence France Presse in an interview soon after his talks with the visiting Chinese vice premier and Foreign Minister Huang Hua.

Mr Huang arrived here yesterday on a brief 24-hour visit on the last leg of his three-nation South Asian tour.

With today's announcement Maldives, a British protectorate until it became independent in 1965, gave up its key bargaining point in the world power game--the prospect of leasing Gan to either of the superpowers or a non superpower country, observers said.

The Gan air base with a good runway, advanced navigational aids and facilities for the reception of weather satellite pictures is the nearest land to the American Diego Garcia base. It is about 840 km north of Diego Garcia.

Mr Jameel rejected suggestions that the decision had anything to do with the visit of Mr Huang, the first Chinese dignitary to come here since Male and Beijing established diplomatic relations in 1972.

Today's announcement affects the Soviet Union most. Since the British pullout in 1976 Moscow had been trying to get the lease of the group of islands in the Addu Atoll (group of islands).

Under the July 1965 agreement Britain was entitled to have free and unrestricted use of the 1.25 by 0.75 square miles Gan Island, 110 acres of Hittadu Island for a radio station and access by sea and air to the adjacent territorial waters till 1986.



The post was maintained by a staff of 800 British servicemen and civilians. About 850 Maldivian nationals and Pakistanis were also employed in the defence establishments.

The British defence policy underwent a change after the labour party came to power in 1974. Liquidation of all British forces east of Suez was announced in March 1975 which included the withdrawal of forces from Gan.

On March 31, 1976, Britain finally closed its staging post, which for 34 years had remained an operational base during wartime and later as a transit post.

Mr Jameel said that now there were at least 16,000 people living in the four islands.

A garment manufacturing company in Hong Kong has already been contracted for setting up a modern garment factory there, Mr Jameel said.

A development authority has been created to undertake studies and recommend projects for the development of the group of islands that surrounds Gan.

The area is also being developed as a free zone. It has a runway which can take most of the latest transport and passenger aircraft, knowledgeable sources said.

The British pullout had significant economic implications. They arise out of loss of job for about 850 personnel and the loss of revenue from the money spent by British servicemen. It is estimated that British military presence had contributed about \$100,000 a year to a national income of \$6 million.

Today's announcement has pleased the Chinese west. Obviously because it has drawn the final curtain on the Soviet hope to lease the island, observers said.

Yesterday China pledged support to Maldives in her effort to keep the Indian Ocean as a zone of peace. The assurance came during the banquet speech of Mr Huang.

Replying to questions Mr Jameel, however, asserted that his country's relation with the Soviet Union "is very good."

Maldives, which has a 100 percent Muslim population, however, disapproves of the Soviet intervention in Afghanistan.

"But then the Soviet Union understands our point of view as well," Mr Jameel said.



## **NEPAL**

### **FOREIGN AID ACCOUNTS FOR 60 PERCENT OF NATIONAL BUDGET**

Kuala Lumpur NEW SUNDAY TIMES in English 24 May 81 p 4

[Text] Kathmandu, Sat.—The Russians are building a turpentine plant, the Chinese are constructing a new road and American peace corps workers are teaching Nepalese children in dozens of schools.

Foreign aid is a part of every day life in this Himalayan kingdom of 14 million people, which is one of the world's poorest nations.

Nepal's foreign aid doubled from U.S. \$86.4 (\$192) million in 1978-79 to U.S. \$167.5 million in the fiscal year up to July last year, made up of about half in grants and half in loans.

An official in the Nepal Finance Ministry said foreign aid was again expected to double this year and would account for about 60 per cent of Nepal's national budget.

"We will have to continue to rely on external support for some years as we build up our infrastructure," the official said.

Britain was the biggest single donor nation in 1979-80 with U.S. \$16.9 million, followed by India with US \$12.2 million and West Germany with U.S. \$9 million.

The British connection is explained by the long ties between London and Kathmandu and the fact that generations of tough Gurkha troops have served on contract with the British army.

Remittances home from the Gurkhas and their pensions used to be one of the country's main foreign exchange earners, now passed by tourism.

#### **Hydro-electric**

British aid has gone mainly into rural development schemes, such as road-building and irrigation.

China, the fourth largest donor last year with U.S. \$7.2 million, has provided trolley buses for the streets of Kathmandu.

The Chinese, who also built a highway from the border with Tibet to Kathmandu, are now engaged on a north-south highway in Central Nepal.

Nepal's outstanding foreign debt stood at U.S. \$113.7 million in mid-July 1979, the government's economic survey said last year.

Nepal has few natural resources apart from mountains and rivers and virtually no industry.

Hydro-electric power from its Himalayan rivers could help solve many of the country's problems.

According to the United Nations' Development Programme (UNDP), Nepal has a total hydro-electric potential of 83,000 megawatts.

"We hardly use one per cent of this at the moment, but we have a number of projects underway," the Finance Ministry official said.

One hydro-electric project is nearing completion after four years at Kulikhani, 20 miles south-west of Kathmandu, which will produce 60 megawatts.

The project is being financed in part by a loan of U.S. \$17.5 million from the Kuwait Investment Fund, the first Arab investment in Nepal.

Another U.S. \$10 million has come from Japan, and represents one of Japan's first important investments here.

Another hydro-electric project is under construction at Devighat, north of Kathmandu, with Indian help, which will produce 14 megawatts. Construction started there last year and will take another three years.

#### Drought

The government has said that work on both projects has been delayed by shortage of construction material and petroleum products.

"There are another two or three projects in the pipeline and this should considerably improve the power situation," the official said.

Kathmandu currently suffers almost daily power cuts as do most other parts of the Kathmandu valley.

Nepal is stepping up its jute production, currently about 70,000 tonnes a year, and two new jute mills are being built in the eastern part of the country with the help of the Asian Development Bank (ADB).

The ADB provided the second largest amount of aid to Nepal in 1979-80 with U.S. \$21.8 million behind the International Development Agency (IDA) which gave U.S. \$38.6 million.

Nepal suffered a severe drought last year and has had to import some 100,000 tons of rice, but this year's crop is expected to be normal and it is hoped that further imports will not be necessary.

Nepal has exported rice to India, but food production has failed to keep pace with its population increase which is currently running at 2.1 per cent.

There are also persistent charges from outland opposition groups that a large amount of aid money finds its way into the pockets of corrupt officials and others.

"You send us plenty of aid, but we never see it here," complained a student to a western diplomat in one Nepali village.

END 6220/620

KARACHI PAPER COMMENTS ON INTERNAL IRANIAN SITUATION

(FPO0015 Karachi JASARAT in Urdu 3 Jul 81 p 2)

[Editorial]

[Text] It seems that despite the ouster of Bani-Sadr from the government little harmony has appeared in the expressions and statements of the Iranian Government and within the government the chain of parallel thinking still continues. This inference can be gleaned from a statement made by 'Ali Behzad Rahavi, the main spokesman of the Iranian Government, the day before yesterday (1 July) when he openly rejected the possibility that the explosion at the main office of the Islamic Republic Party could be in any way connected with Bani-Sadr. Yet, after this clear denial from the government side, the Mujlis speaker, Mojib al-Din Rafsanjani, yesterday (2 July) said that the incident was the work of opportunists and opposition groups among supporters of Bani-Sadr. This contradiction was not only observed within Iran, but also by Iranians throughout the outside world and is causing fear and confused thinking. While such contradictions may exist among individuals in the form of personal opinions, when men speak as responsible members of an organized government such contradictions should not appear. When they do such government statements lose credibility and also adversely affect the prestige of a country.

By Behzad Rahavi, the main spokesman of the Iranian Government in a recent press statement, said that the government of Iran had accepted two conditions of the abducting ex-President Bani-Sadr. First, that the Iranian borders be sealed. Second, that he should be allowed time over television to present his case to the people. Last week there was news of certain pamphlets being distributed in Iran which said that Bani-Sadr was ready to come out of hiding provided Ayatollah Khomeini agreed on providing Bani-Sadr 3 hours time on television to explain his case and that the army should be requested to seal the Iranian borders instead of the police.

In our opinion, the statement by 'Ali Behzad Rahavi was a good effort to clear up misunderstandings, grudges and hatred and was aimed at patching up the situation. We welcome the statement but the sharp statement of Mojib al-Din Rafsanjani, which followed the statement of Behzad Rahavi on 1 July against Bani-Sadr, in which he has made Bani-Sadr responsible for the murder of 72 Iranian leaders, makes the earlier statement by Behzad Rahavi somewhat pale. It is as if he had made the statement as the main spokesman of the Iranian Government. It is possible that in a few days Behzad Rahavi may himself be dubbed a supporter of Bani-Sadr

and are becoming the target of attack. It would be good for Iran if within Iran old and new ideologies could temperate among themselves and build upon the Islamic revolution there. These differences are also of benefit to the superrevolutionary elements who are gradually gaining strength. If the situation is not addressed and so the incentives will be lost and it will become even more difficult to deal with the opposition. The weakness of the revolutionaries can be easily judged from the fact that the residence of the leader of the revolution, Imam Shahrivar, is being kept secret and is being changed often.

END 62019

## PETROLEUM MINISTER INAUGURATES NEW OILWELL

CPH11871 Karachi Dawn in English 1 Jul 61 p 1

[Text] Karachi, 1 July--The federal minister for petroleum and natural resources, Mr. Qasim (Muz) Khan, today inaugurated Nepal well No. 8 which will produce 1,000 barrels of oil a day.

With the inauguration of the new well the Nepal (about 90 miles from here) oilfield will now be producing 8,500 barrels of oil a day. The Pakistan Oilfields Limited (POL) under whose supervision the well was drilled are producing 8,000 barrels a day. Total production of oil in the country is about 10,000 barrels a day.

The POL are also drilling Nepal well No. 9, which according to the officials is progressing satisfactorily.

Speaking on the occasion, Federal Minister Mr. Qasim (Muz) Khan said that successful drilling of oil in this region was a great achievement because enormous difficulties were encountered in the process. He said the drilling had to be done to the depth of 10,000 to 12,000 feet whereas in other regions such as in Middle East the drilling had to be done to the depth of only 4,000 to 5,000 feet.

The federal minister for petroleum said the government was trying its best to drill maximum oil so that the country could make progress and become prosperous. He said in the present age oil was a great factor in progress for a developing country. He urged the skilled workers in the oil industry who had gone abroad, to return home and help in discovering oil.

Very hard and extensive efforts had to be made to drill oil and one had to have patience till the achievement of the ultimate result he said.

Later the minister inspected the drilling being done at well No. 9.

He was told that there were chances of drilling four or five more wells at Nepal. The first well was drilled at this place in 1948. Nepal had a reserve of 50 million barrels out of which 15.5 million barrels had been consumed.

Besides oil, Nepal is producing 20 million cubic feet of gas a day and with the establishment of a new plant by the end of this year its capacity will be increased to another 20 million cubic feet of gas a day.

CDD- 4270/100



# LAW AND ORDER SITUATION IN MALDENSTAD DESCRIBED

Before THE PARLSTAD TIMES in English 20 Jan 81 Supplement 9 12

[Article by Kenneth E. Hines]

[Text]

[The following text is a dense, repetitive block of characters, likely a placeholder or a corrupted scan of the article content. It consists of multiple columns of text that are mostly illegible due to the quality of the scan.]



### ANALYSIS OF THE TRIAL EVIDENCE

Released THE NEWSPAPER in English 23 Jan 81 p 6

(Date) 9/27/74 Page 26 of 26

128/197

**'WARRIOR' INTERLACE IN BLUE FIELD REPORTED**

Released THE BUREAU to English 10 Jan 61 p 1

Article by [redacted] dated [redacted]

[illegible]

## NEW IMPORT POLICY ANNOUNCED

Karachi MAIL in English 28 Jan 61 pp 1, 16

[Article by Saad Akhtar]

(New) Islamabad, June 27: The import policy for the fiscal 1961-62 announced here today on the Radio and TV networks stipulates freer import of commercial machinery and raw materials required for export-oriented industries and for stabilizing domestic price structure.

Mr. Ishaq Durrani, Federal Commerce Secretary unfolding the main features of next years import policy, also announced that the export target for the fiscal 1961-62 had been fixed at 1200 million dollars (Rs. 1170 crore) as against the estimated exports of Rs. 1070 crore during the current year.

Reviewing the important performance during the first three quarters of the current fiscal, the Commerce Secretary said the value of the imports made were estimated at Rs 1077 crore which were 17 per cent higher than the last corresponding period.

He, however, expressed satisfaction that the import of consumer items had been maintaining steady decline and had come down to 14 per cent as against 21 per cent two years ago. He said that pressure on imports would continue as long as the country remained deficient in meeting the necessities of life.

But the Commerce Secretary hoped the coming year would prove a happy turning point with Pakistan having attained self-sufficiency in wheat and sugar and making headway in attaining parity in cement and fertilizer, the latter vitally needed for increasing food production.

He also pointed out that with the commissioning of the Karachi Steel Mills in the near future the country would be able to meet, from its own resources, requirements of steel billets and other related items and discontinue importing them.

The new import policy also seeks to reduce bottlenecks in the import procedures and especially extend trade opportunities to small entrepreneurs and industrialists. About 60 new items of raw materials and capital goods have been permitted to be imported, 11 other items have been transferred from part "B" to part "A" of the Free List and a number of items such as cement, power tillers and railway sleepers, at present importable by the public sector, have been shifted to part "C" and can be imported by any importer.

It has also been decided to remove edible oil, pesticides and computers from part C of the import policy, but edible oil will continue to be imported by the VIF for meeting the requirements of the Oil Corporation. Thirty-six items on the list have been allowed to be imported against cash licences provided these items of machinery tools and workshop were not locally manufactured.

The ceiling on import of machinery under IIM (balancing, modernising and replacement) has been raised from 1.5 million rupees to five million rupees in view of the world price rise although importers have been warned that abuse of this facility would entail payment of double the rates of Customs and excise duties.

While 18 items of consumer goods have been exempted from ceiling on the value of licences, in case of 28 remaining items of consumer goods the importers will be licensed at the rate 110 per cent of the value licensed during 1980-81 to meet higher cost of import.

#### Main Features

Following are the main features of the import policy:

The objectives of the import policy are:

—To raise the level of industrial production and exports by ensuring easy availability of raw materials, intermediates and capital goods.

—To check rise in the price level by increasing the availability of goods/ commodities and by removing obstacles in way of healthy competition.

—To enlarge the list of importable raw materials/intermediate goods/capital goods with a view to enabling domestic industry to develop new product lines and effect innovations.

—To cater to the needs of smaller industrial units which cannot themselves effect the import of necessary inputs.

—To cushion the adverse impact that the liberal pattern of imports may have on the profitable operations of existing and planned industrial units.

—To minimise the administrative controls.

The salient features of the policy are:

Import of nearly 60 new items of raw material and capital goods has been allowed. These items include various types of industrial machinery, tools and workshop equipment, agricultural machinery such as tobacco transplanter and intercultivator, mini-computers, microprocessors and data entry machines, special types of centrifugal pumps, asbestos (raw), coloured, white, slag, super-sulphate cement, mineral substances, chemicals, new kinds of starches and gums/sizing materials, sulphurised and poly-sulphated oils and composite solvents.

This measure will increase the availability of raw materials and capital goods, and help in raising the level of industrial production and exports. It should also encourage our industrialists to develop new product lines and innovations.

In order to enable the smaller industrial concerns, who cannot themselves effect the import of necessary raw materials, it has been decided to shift 31 items from Part 'B' to Part 'A' of the Free List. These include fibre glass synthetic rubber, synthetic fibre, iron and steel scrap for remelting and recolling, iron or steel tin plates and tincoated sheets, aluminium, copper and zinc manufactures.

This measure is in line with the consistent government policy to streamline administrative controls.

Cement, power tillers, starting acrylic paint, aircraft finishes, and wooden sleepers for railways, previously in part 'C' i. e. exclusively importable by the public sector, have been shifted to part 'A' while tractors of standardized makes have been shifted to part 'A' while tractors of standardized makes have been shifted to part 'B'. Tractors for which the assembly/manufacture stands sanctioned will be importable in CIB condition only by recognized assemblers/manufacturers, while other tractors of standardized makes will be importable in CIB condition. Similar import of new tractors in CIB or CIB as the case may be will also be allowed under personal baggage and gift schemes.

In addition, old tractors (but not more than two years old) of all standardized makes will be importable in CIB condition under personal baggage/gift scheme.

As imports of edible oil, pesticides and soap are not exclusively tied to the public sector, these items have been also deleted from part 'C'. Edible oil will, however, continue to be imported by the VIF for meeting requirements of the Corporation of Pakistan. The above measure reaffirms the policy of the Government to afford greater opportunity to the private sector to play more active role in the national economy.

#### Cash Licenses

To solve problems encountered by industrial units in procuring from abroad certain items of machinery, tools, working equipment and some other items, 31 items currently on the tied list will be importable against cash licensing provided these items of machinery tools and working equipment are not locally manufactured.

In view of rising international prices, the machinery ceiling on the import of machinery under ~~WB~~ has been increased from Rs. 2.5 million to Rs. 3.00 million. However, in many instances this facility has been abused by installation of the imported machinery for expansion or setting up new units. It has been accordingly decided that in case of the misuse of the facility, the importer shall pay double the amount of Customs Duty and Sales Tax ordinarily leviable from which he has obtained exemption by importing the machinery under ~~WB~~.

15 additional items will be added to list of machinery importable duty free by the following export oriented industries: (1) Footwear industry; (2) Surgical industry; (3) Sports goods industry.



19 items of consumer goods, which are subject to ceiling on the value of licensing, will be now importable without any value restriction. These items include ball point pen, dry battery cell, laboratory earthen and porcelain ware, safety helmets, glasses, glasses and homeopathic medicines.

Remaining 18 items of consumer goods presently subject to monetary ceiling will be licensed at the rate of 115 per cent of value licensed during 1980-81.

Caustic soda of B. P./A. B. quality in packing up to 2.5 kg has been made importable for laboratory use.

Plastic craver has been made importable as an item of stationery as it is a cheaper substitute for rubber craver.

Additional machinery and safety equipment items for mining industry has been made importable.

Additional scientific instruments apparatuses and appliances for laboratory use for quality control have been made importable.

Substantial changes to the existing description on relevant item have been made to prevent the circumvention of exclusive ban imposed on the import of brass water fittings.

At present the importers of penicillin have to purchase 50 per cent of their requirements from the local penicillin factory. In view of increase in local production the ratio of compulsory local purchase to imports has been changed to 80-20.

Existing procedure regarding registration of importers has been simplified by substituting words "Income Tax Assessment Order and of the Demand Notice" occurring in para 14 (3) (i) of Import Policy with the words "Income Tax Assessment Order or Demand Notice."

#### Total Imports

As liberal has said during the month ended March this year, imports totalled Rs. 1,877 crore—up 27 per cent from the like period of last year. The principal imports included oil and oil products Rs. 1,385 crore machinery Rs. 572 crore, fertilizer Rs. 140 crore, steel and other metals Rs. 217 crore, chemicals Rs. 288 crore, textile oil Rs. 207 crore, fibre and synthetic yarn Rs. 181 crore, cars, buses, trucks, motorcycles and scooters Rs. 158 crore, and pharmaceuticals and raw materials for pharmaceutical industry Rs. 150 crore. It shows a very large portion of imports either consisted of raw material and machinery meant to enlarge production, or essential items which are either not produced in the country, or the supply is much less than the demand.

As said 39 per cent of the imports were of raw materials, 27 per cent capital goods, and only 14 per cent consumer goods. The consumer goods imports in 1976-80 were 18 per cent, and in 1978-79 these were 21.6 per cent. The proportion of consumer goods which was already very small, is declining further from year to year. An analysis of imports shows, essential items like wheat, oil products, tea,

pharmaceuticals, powdered milk, secondhand clothing, sugar, and books and journals accounted to Rs. 435 crore of all consumer goods imports. The remaining items, 11 items of all of imports together formed only three per cent of the consumer goods. In view of this there is very little possibility of a further reduction in the import of this category.

Reviewing the performance of the foreign trade sector the Commerce Secretary said, Pakistani exports rose from Rs. 1,129 crore in 1967-77 to Rs. 1.36 crore in 1979-80, and to Rs. 1,870 crore in 1980-81 which is 33 per cent higher than the last year. In view of the encouraging picture of exports in 1980-81, the export target for 1981-82 has been set at Rs. 3,170 crore which is equivalent to dollar 3,000 million.

Mr. Ishaqul Haq said the Government's policy is to liberalize the import policy in order to boost production for the domestic consumers as well as to enhance exports. Instead of restricting imports of raw materials and capital goods. Such a policy has paid rich dividends in the past, and will be continued in the future, he said.

The import-policy for 1981-82 was approved by the cabinet on Friday.

#### Highlights of Import Policy

Islamabad, June 17: Following are the highlights of the Import Policy for 1981-82, announced here this evening:

- Import of fifty items of raw material and capital goods has been allowed.
- Thirty-one items have been shifted from part "B" to part "A" of the Free List to enable industrial users to import their requirements of raw materials.
- Five items—cement, powder tillers, stoving acrylic paint, stress-ri finishers and window clamps—at present imported exclusively by the public sector on Part "C" of the Free List, have been shifted to part "A".
- Tractors of standardized makes have been shifted to part "B" of the Free list.
- Edible oil, pesticides and manure have been deleted from part "C", but edible oil will continue to be imported by Trading Corporation of Pakistan to meet the needs of the Oil Corporation of Pakistan.
- Thirty-six items currently on the tied list will be importable against cash licensing.
- The ceiling on import of machinery under balancing, modernization, and replacement (BM) scheme has been raised from Rs. 2.5 million to Rs. five million.
- Fifteen items will be added to the list of machinery importable duty free by the export-orientated units like: footwear, surgical, and sports goods industries.
- Sixteen items of consumer goods will be importable without any value restriction. Among others, these items include: ballpoint pens, dry battery cells, laboratory earthen and porcelain ware, safety helmets ginger, glucose, and homoeopathic medicines.



--Ceramic ends will be importable in 2.5 kilogram packs for laboratories.

--Plastic crumbers will be importable as an item of stationery.

--Additional Machinery and safety equipment items for mining industry has been made importable.

--Additional scientific instruments, apparatuses control have been made importable.

Suitable changes in the existing description of relevant items have been made to prevent the circumvention of exclusive ban imposed on the import of brass wire fittings.

--At present the importers of penicillin have to purchase 90 per cent of their requirements from the local penicillin factory. In view of increase in local production the ratio of compulsory local purchase to imports has been changed to 80:20.

Existing procedure regarding registration of importers has been simplified by substituting word "income tax assessment order and of the demand notice" occurring in para 14 (2) (1) of import policy with the words "income tax assessment order or demand notice".--APP.

CSD: 4208/117



defense establishment of that country. We are not quite aware of the fact that would respectfully join all the Americans in requesting the South Government to making sure of the well-being of all Americans removed from Washington. As a matter of principle one such sophisticated organization as the AWACI should be accepted only when the least harm is provided extensive training in their use. Though it would be tantamount to locking the door after the horse has bolted, it is imperative that a thorough inquiry be made by the South Government into the matter.

There is the clever way in which disruption is handled by the Bureau, it is on the basis that the situation has been done by the situation as such. For the South would obviously not restore that order. It is as the original force, and many would say. The Indian world would be happy if no change is provided by any of the South Government to assist in have assisted any of the situation to have its rights taken. We have specified it recommended on this occasion to bring out the situation outlined by the South and appropriate action, and the South and South supporters to provide the situation through the South. The need for the situation of more and more situation devoted to the South is the fact of the South and the South is truly understood. The

remains a perpetual up-branch to the needs of the South in making a whole their whole in every part so that with any other even assembly and other not completion for the South better supports in the area of the South and the South of India.

# SPECIAL STEEL MILLS FATE STILL UNCERTAIN

Ismailed THE MUSLIM in English 25 Jan 81 p 1

[Article by Jawaid Bokhari]

[Text] Karachi, June 24: The fate of the special steel mills, closed since December 1979, is still hanging in fire with various proposals and counter proposals being considered by the Federal Ministry of Production, it was learnt here today.

Four different reports, each submitted separately by the Japanese and Pakistani experts, a high-powered committee and a financial institution are now being scrutinised by the concerned officials.

Officials concerned with the special steel project, whose assets are currently estimated at Rs. 1000 million and involve sophisticated technology and specialised products have submitted a plan for revival of the unit with government's financial assistance of Rs. 12 million.

With the factory closed, the government is now spending about Rs. 3 million annually to keep a skeleton team of foreign trained engineers and employees and on the maintenance of the plant.

The bankers equity, in a separate report has suggested that the ownership of the plant should be retained by the public sector, while the management should be handed over to an entrepreneur with expertise and resources to rehabilitate the plant. The suggestion also involves a step by step disinvestment by the state in favour of the private management.

The high-powered committee appointed by the Federal Government to evaluate various offers made by the private parties to purchase the plant on deferred payments had been found unattractive. Initial payments offered by the bidders are minimal compared to the big investment involved in the project.

Finally, the Japanese experts have confounded the issue by stating in their report that the unit was not viable without further investment on expansion of certain facilities with simultaneous fiscal and monetary incentives.

The Japanese have reached the conclusion that the unit would give a negative internal return of about 7 per cent on the basis of prices of raw materials supplied by the former top houses of the Special Steel Company.

According to the report of the Japanese experts, the prices quoted by the company officials were two to three times higher than those prevailing in the Indian steel and scrap. They attributed wide difference to import duties and purchases made in small lots in the local market.

When revised figures were given to the Japanese their report showed a positive internal return of 9.7 per cent.

It may be added here that all the reports submitted to the government by Pakistani experts have emphasized the need for rehabilitation of the plant, which in their opinion, could be revived by increasing equity capital, by reducing the debt burden and import duties and by provision of required working capital.

The Japanese government is believed to have indicated that it would write off the loan to the project, if Pakistan makes a formal request.

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# GOVERNMENT OIL DRILLING PLAN FALL THROUGH

London 8 (AP) — In English 27 Jan 63 p 53

(Two)

DESPITE heavy criticism, Britain's oil production programme will proceed, the government has announced. The plan, which calls for the drilling of 100 new oil wells in the North Sea, was unveiled last week. The government has decided to proceed with the plan, despite the fact that it has been criticized by the opposition and the public. The plan is part of a long-term strategy to increase Britain's oil production and reduce its dependence on foreign oil. The government has announced that it will drill 100 new oil wells in the North Sea, which will increase Britain's oil production by 100,000 barrels per day. The plan is part of a long-term strategy to increase Britain's oil production and reduce its dependence on foreign oil. The government has announced that it will drill 100 new oil wells in the North Sea, which will increase Britain's oil production by 100,000 barrels per day.

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## BRIEFS

**REPORT FROM KARACHI**—Karachi, 4 Jul (AP)—Nagah Banoon Memon the 67-year-old widow of executed former Prime Minister Jinnah Ali Memon, has been shifted from her Karachi prison where she has been detained since the hijacking of a Pakistan Airlines jet to Baluch last March to Sukkur jail, about 100 miles north of here, informed sources said today. Her daughter Samaira Memon has been brought from Sukkur jail to Karachi. Samaira, a private secretary of Nagah Memon, 40 East 66th Street, has been released from jail after a five-month detention, the sources added. (Text) (MIDDLEBURY NEWS SERVICE TO ENGLISH 0005 000 4 Jul 81)

**REPORT FROM KARACHI**—Pakistan reported over 1.25 billion tons of rice valued at about 100 million dollars during the ongoing fiscal year. The main buyers of Pakistan's rice are Saudi Arabia, Iran, Iraq, Kuwait and United Arab Emirates and for other countries including, Japan, Korea, Sri Lanka, Germany and Turkey. Pakistan rice is now being shipped to about 40 countries of the world. (Karachi Domestic Service to English 0005 000 4 Jul 81)

**REPORT FROM KARACHI**—Two new vessels built at the Karachi Shipyard and Engineering works were handed over to Iran today. With these vessels, the Karachi shipyard under completed the agreement for the supply of 10 vessels for the Iranian navy. (Text) (MIDDLEBURY NEWS SERVICE TO ENGLISH 0005 000 4 Jul 81)

**REPORT FROM KARACHI**—Japan is to provide Pakistan a debt relief amounting to 60.1 million under an agreement signed to be launched on 4 July. The relief covers 10 months from January this year to July next year. It will be offered to the face of reschedule of the repayment amount equivalent to 872.1 million which will now be payable in 10 years including a grace period of 10 years at an interest rate of 3.75 percent. The balance amount equivalent to 872.2 million will be made available in the form of commodity loans. (MIDDLEBURY NEWS SERVICE TO ENGLISH 0005 000 4 Jul 81)

**REPORT FROM KARACHI**—China was the biggest buyer of Pakistani goods during the last fiscal year. It reported goods worth more than 8120 million during the period from July 1980 to March this year. According to the official assessment, Pakistan's exports to China constituted almost 15 percent of total export earnings during the 9 months of the last fiscal year as compared to 6.6 percent during the corresponding period in 1978-80. Among other countries, Iran has also increased its imports from Pakistan by about 150 percent. (Text) (MIDDLEBURY NEWS SERVICE TO ENGLISH 0005 000 7 Jul 81)



RECRUITING OFFICE IN QATAR - Qatar, June 18: The Federal Government has recruited some youth to Pakistan Navy for Baluchistan youths. For this purpose a Navy Recruiting Team is visiting Qatar from the 14th to 17th of this month to select suitable candidates for service as sailors in Pakistan Navy. The candidates have been advised to appear before the Recruiting Team at Employment Exchange Qatar on these dates. [Text] [Qatar BALUCHISTAN TIMES in English 11 Jun 81 p 4]

(80) 4280/310

## GROUPS

CLOSING SCHOOLS ON IRANIAN STUDENTS.-Education Minister Carlos Cuapad has ordered authorities to keep under close watch all Iranian students in the country when classes open on Monday. The move was due to a report that Iranian students in the country who support the opposing groups in their war-torn country are planning to form similar groups in the Philippines. They intend to carry out moves in support of their groups in their homeland. Education officials fear that the Iranians might induce Filipino students to join them. They said the Iranian move would cause strife in the campus. (True) (REUTERS Manila 12:10 to English 11:30 GMT 1 Jul 81)

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**DEVELOPMENT EXPERT SAYS LAND CRISIS WILL BEING OVERCOME**

Bangkok POSTERS to Thai 1 Jan 81 pp 7-17

[Interview with Dr. Ewachang Phachamunee: "Thai Rural Revolution"]

[Excerpt] Dr. Ewachang Phachamunee is an agricultural development expert. He has a doctor's degree in cytology from Reading University, England, and has experience in rural development operations and planning at the local, regional, and national levels. He was a member of the Agricultural Council in 1976, a social and economic affairs officer in SEATO, and Deputy Secretary-General for Political Affairs in the Prime Minister's Office in the first Erawong government. He is now assistant professor in the Science Faculty, Sakdika University, consultant to the National Psychological Operations Committee, and advisor to the Central Committee of the Farmers' Association.

[Question] What form do you think rural development or agricultural development should take in our country?

[Answer] At the time of this interview I think that development is not the right word because development has a hidden meaning, that is, improvement little by little. I believe that our rural and agricultural conditions at present, no matter what the government, politicians, or anyone says, are deteriorating to the point where there must be a rural upheaval. We cannot wait longer.

[Question] Define rural upheaval.

[Answer] The word upheaval means carrying on; changes, broadly, deeply, and promptly. I emphasize "broadly," indicating that the consequences of the upheaval will affect everyone involved in agriculture or rural development. It means we must get to the roots of all the existing problems. Promptly means we must achieve results as quickly as possible; within one year we must lay the foundation for the rural revolution completely. Expansion of the work of that revolution will take three to five years in the first phase and after that another seven to ten years.

[Question] What do you think we should do to achieve the rural revolution?

[Answer] Before we get to that point I want to explain why I submit that we must effect broad, deep, and prompt changes. The problems of the farmers and the rural areas from the beginning were not very difficult but were problems of production technology, marketing system, and the distribution of production resources fairly. But it was the fate of Thailand that the stable governments in the past neglected the problem. This allowed them to spread and become entrenched. When later the government, officials, or specialists began to realize the rural problems were very serious, we had governments that lacked political stability, which were unable to do anything. We let the situation grow to the point where in the central region of Thailand we have farmers with no land of their own. In some provinces this has risen to 30 percent. We have universal statistics that if in any agricultural nation landless households exceed 20 percent, historically that society will start a revolution, whether it is Russia, Russia, China, North Vietnam, or Cuba. Secondly, there is a large number of Thai gone to the agricultural regions, not less than 30 million to my estimate. They themselves are the food producers who feed the people in Thailand and in the world, though they and their families lack food in various forms. It is serious enough to be dangerous. They are numerous enough that it becomes an intractable situation. The people without money can live but without food it is difficult. Thirdly, our national agricultural resources, whether forests or fisheries, are facing total ruin and are not able to support production that will be essential to the future. There is no clear control; lawlessness and crime are rampant in the rural areas. Another serious problem is the paralysis of the local administrative machinery. The canton and village heads are divided into three groups. The first set themselves as god-fathers and are tied to national level politics. The second group is made up of good men who lack the courage to speak or act. The third group has good men with the boldness to speak and act, but they are few and are destroyed by the influence of merchants, powerful officials, or the Communist terrorists, hit by both the left and the right. Another serious exploitation is through loans or buying and selling. It has become more than an economic problem. Those who are well-off financially have turned their economic power into political power at the local level. Whether they are influential canton heads, god fathers, politician vote getters, members of the provincial assemblies, or even members of the National Assembly, their number is not few. They are bound to these groups. They take this unlawful power, and apply economic pressure against the farmers. Among the farmers themselves there is a situation of hopelessness and discouragement. They do not know how to change this. They have no means to express it. We have a common saying that "The adversity of the farmers is the adversity of the nation." But when the farmers raise their complaint throughout the nation, I do not see anywhere dig or canal that listens to them. In brief, in conditions like this, close to the explosion point, there is no need for anyone to light the fuse. It will be spontaneous combustion. Therefore, if Thailand which is an agricultural country is to avoid a conflict, I think it must make corrections as I have said, broadly, deeply, and promptly, that is a revolution.

[Question] How and when shall we begin? What is the first step? Who are the people to implement the revolution at this time?

[Answer] We must begin now. As to the people, I must answer that those who have government power are the ones to begin. If those in power in the government do not start, there will be a rebellion. At this time what must be changed is the first priority is the structure of state power concerned with rural and agricultural development. A greater problem is that, if the state does not act and leaves it to the farmers or men of good will to begin, there will inevitably be conflict with state power. Then those who have initiated the action will become rebels. Therefore, the state must take the lead and the responsibility. I think that now there are people with ambition for national power and this is expressed in different forms. They might be the military, professional politicians, economists, or ordinary businessmen who aspire to be prime minister or a cabinet minister. We must ask these persons that if this is what they want, whether they are ready to start the rural and agricultural revolution. I myself cannot answer what those in power now or those who will be later will do. We must take the risk because it is the problem of the man who holds government power. We now come to the question of how to begin and what to do.

I think the very first thing we must do is to change people. This does not mean only the rural community or the farmers. I mean everyone concerned with solving the rural problems from the prime minister down, the cabinet, members of the National Assembly, officials at every level of every ministry, businessmen, farmers, and the rural populace itself. People have spoken, written, and thought much on this subject. I wish to say only that if we look at the success of South Korea, we would see that the first thing Park Chung Hee did was to revolutionize thought, to revolutionize people. Park Chung Hee himself shared the living accommodations in seminars, exchange ideas with high and low-level officials and also the farmers, with no differentiation in status. The delegation that observed the work of the Institution, the Farmers Association of Thailand, proposed this matter to the government after the Ertiangsh government sent them on an observation tour to South Korea. Gen Ertiangsh established a training center and a seminar for rural development. Gen Ertiangsh as Prime Minister and Minister of Agriculture participated with the farmers in the work. It appears that this proposal stopped with the officials. Gen Ertiangsh did not know what the objective of the revolution was. The persons at the ministerial level must revolutionize their thought to understand the real rural area by actually living in touch with rural community, because at present they see only the screen created by the officials, the window dressing. They do not know the true problems; they have not heard the voices of the farmers. In other words, they do not understand the problems. Then, too, many of these people are not sincerely concerned. Each one gives lip service to say fine to win popularity for himself, for six months or one year, saying "I will do this or that in the rural area" and asking them to wait. The people are now tired of these promises because everyone of them has used this trick. The government must have a commitment to the rural problems not only an understanding of them. I would like to remind this to the politicians also. I have respect for the democratic system. The members of the Assembly are the representatives of the people, but I want to remind them that if we look at the history of each Assembly session to find what laws they have proposed to help rural and agricultural development, we find very few. In the midst of hardship among the rural population there are those who submit the problems of the brachlets and such like but no one will speak of establishing organizations or doing something for the benefit of the farmers. I would like to



mention the time when I was on the Agricultural Council. That council submitted important bills for the farmers, such as the land reform act, the farmers welfare fund act, and many others. The Assembly representatives at each session were authorized to act for the farmers but they neglected what they should have done. On this matter we must reform their thoughts, telling them not to consider the farmers ignorant. Someday they are not ignorant; they are quite knowledgeable. They are tired of useless promises.

I want to ask the high level officials of the rank of Under Secretary in a ministry or Director General whether they have used their powers fully to aid and relieve the problems in the rural sections.

[Question] How in the past have they failed to use their powers to the fullest?

[Answer] I say in the past they have not. Some looked at the way political wind was blowing. Some waited to see what the subordinate levels would propose. One stated "I have done this in the interest of the farmers." There is no commitment, no thought, no sincerity toward farmers. Simply stated, when the farmers arrive, is the Under Secretary not hungry? To put it directly, the Under Secretary will tell them to harvest the rice, not to sell it, but to wait one month. The price of rice will be good and state funds available. Talk like this means that he does not know the real problems and is not sincere. When people harvest, rice sold cheap. Income increases each day. He also tells officers, know that to meet my rice and fish to wait another, and prepares to advance. He does not seem to do it by the time element as the farmers must. But I say that they are not ready to wait. What does that mean? We must reform this thought, this behavior. The subordinate officials are of secondary importance, but their numbers are great. When asked there are a very strong force. If the leaders at the Director Under Secretary or Director General level acted well, a few officials management down to the officers in the field would likely perform well. But think stretched to the minds and character of the officials to the idea that farmers and rural people are ignorant, foolish, and lazy. The officials seek for favorable review in the press and to reports for their personal advancement with no consideration of the basic truth. Prolonged over a period of time such action will lead to upheaval. A reform of low ranking officials I think is not difficult, but it must come from both above and below. If the top ranks are good but the lower ranks are not, the lower ranks will have no meaning. Officials at the top will depend on people's organizations to compel action from below. We have 700 cooperatives, 1,000 farmers institutes. These are the people's organizations, which the Agriculture Ministry or the politicians treat with contempt. They did not establish them to be independent and strong but only to be the megaphone. The top men in the Agriculture, Interior Ministries, or any other like Interior have development teams of the Community Development Department of the National Rural Development [Unit] and the Public Health Ministry's health ministers, but they don't use them. If we really stand with the people's organizations, the behavior of the officials would improve rapidly. If the top level turned over policy and operations planning to the people, to evaluate results and report the conduct of officials, as I have tried to do, they would improve immediately. We have used the peaceful method. That is, officials who perform well are praised by the people. Those who perform badly are not thrown out of office or punished, but are reported. When the top ranks



do what is right, they should be rewarded. There are now many officials of good will, but administrators from the division level up for the past 20 years have been seeking political and other gains until most of them have become tainted. I do not know whether there are any on Prachin Sanguan's blacklist. If we investigate the facts, these persons ought to be reformed radically.

Next we come to the businessmen. There is at present an understanding, part right, part wrong, that merchants at the national level have created conditions for their own great advantage. But we overlook the merchants at the local level, on whom the national level businessmen depend. They are the main culprits. They work quietly, adulterate products, depress prices, and take other actions at the commune, district, and provincial levels. The national merchants do not set the rules for this structure at provincial and district levels but they give them the financial support to acquire products for export. The point is that the wrong-doing of the national group is not in perpetrating it themselves but in being accessories. The culprits are those at the local level. They are both merchants and money lenders, who need thought reform. So you see what the state must do and the private sector must do!

Our farmers and rural population are for the most part clever people and are abreast of events and understand the situation. But there remains yet a few who are ignorant of the outside world, do not understand events, methods, or the new technology. They are not prepared for development. They are used to the underdevelopment of the state and the self interest of the politicians which they have suffered for a long time. So their attitude toward development is incorrect. This is a difficult matter, psychological in nature, a problem of social psychology, culture, trust, and attitudes which must be resolved in depth.

In the second place we must reform the system. Right now there are good people, people who want to do their work but are restricted by the system so they cannot. Good officials at the local and commune level have no rights or freedom. Authority for programs, budget, or anything else is held in the central government. When Bunchu Kuchanathanon was Deputy Prime Minister he tried to delegate powers. I think that is right but only half right. Delegating power without developing the personnel first is simply increasing the authority of the dishonest local officials. They can then do even more harm. The development of the government system must deal with the various management procedures. Production materials must arrive before the sowing season. Money must be available before harvest. Up to this point we have not spoken of eliminating corruption. Is there any purpose in buying produce to put in warehouses? Although development which pours in money is wanted, I have figured that since 1975 we have scattered funds throughout the nation in the amount of 18 billion Baht. I see that we have only improvement structures, ditches, canals, bridges, roads that, once built, will deteriorate, but I do not see that they will continue to improve. In the business sphere it is the same. The government has tried to help the farmers conduct their own trade, but look at the Ministry of Commerce regulations and the banks' rules for loans. They do not support the policy. The government now has designated the cooperative institutions to export rice, but the Commerce Ministry regulations state that each time a rice export rice, but the Commerce Ministry regulations state that each time a rice export contract is made with the Commerce Ministry they must put up one half the value of the rice price in cash as a guarantee. For example, the farmers send rice to

the government, which opens the gates to 10 million haht. Under the Commerce Ministry rules the farmers must place 1 million haht with the ministry within 45-60 days before they will earn 10 million haht. What will the farmers do? We must revise these conditions. I sympathize with the banks on their loan requirements because the banks have the responsibility of protecting the funds of their depositors, not to spend it lavishly. But I still believe that if there were cooperation and joint decisions, there would be ways to make the conditions for farmers' loans more convenient with the bank's risk rate not too high. There are ways. We must develop them.

Later we must revise the structure. In structure I mean the political structure. The administration at this time has made attempts at it, but I think it is still in the process of development. It is still not a revolution. We must consider whether the farmers and the rural population have received better treatment at present. I think that if we acted as Prachin Sangphit suggested, involving 400-500 people to cover 47 million, we must establish a permanent structure. Creating 400-500 people is not effective, for in a moment there will be another 400-500 rising up. Soon we will have Communist terroristic group 1 and group 2. Group 1 is made up of Communist terroristic. Group 2 is made up of the rebellious people who were thrown out, the capitalist terroristic. Our country is in a state of civil war on the subject of structure. I feel that we must develop the structure of the people to support the ideal of revolution in the democratic system. I affirm that democracy has the right to conduct reform. For a long time we were deceived that revolution belonged to dictatorship or revolution was the right of the Communist dictatorship only. I reject that and protest to the world that those who take the way of democracy have the right to make a revolution, in the sense of broad, deep, and prompt changes, as we no paper have many massive assemblies. We have provincial administrative organizations, we have members of the provincial assemblies. We have farmers' committees. We have mass development teams. We must establish an administrative political structure with these people in a democratic system. That they will be joined together in ranks, what I call the united revolutionary people. That is, when we revise the structure, we must hasten to reform the people who will be working within this structure. We must have changes in attitude. I do not want to use the word training or seminar because these words have become pejorative terms. The training seminar deteriorated until the country was ruined. We must have changes in attitude and action in the members of the commune assemblies, members of the provincial assemblies, members of the municipal assemblies, the farmers' committees at various levels, all levels of the cooperative committees and development team committees so they know how to protect their rights in a democratic system through peaceful and legal methods. When we have developed this structure, it will bind together the political power structure, that is, the institutions of the officials, the political institutions, making the changes for the rural areas and farmers in a broad, deep, and prompt fashion. I affirm that in technology, management, and supporting resources there are no problems. The problem is that there is no structure. Our people do not understand administration. I say that from the prime minister on down they do not have the principles of administration and have not implemented them. They are the demonstration of leadership. Is the position of the leader now clear? What does the prime minister do? Does he inspire words among the public and government workers to work together? Does he make decisions resolutely based on data and

correct reasoning? Does he evaluate results? Does he reward or punish? These things we lack, the structure for the financial institutions and business institutions. The banks have made an attempt. In the time of the first Triangsat government the Minister of Finance and the Deputy Prime Minister for Economic Affairs proposed a bill amending the Commercial Bank Act, to strike at improving bank conduct of business. But I tell you with regret that the bill which passed the Juridical Council had no Representatives in support. The Juridical Council, made up of Young Turks, passed the temporary provisions for the Act to come into force in 1983, five years hence. I went to ask why people who professed concern for their nation made such a decision. Why did the people who wanted to get rid of the bankers not vote for control of commercial banks through the legal measures we have had since 1978? I think this is something we can do without losing flesh and blood. So far I have said what shall we do. I have an answer, but to talk now is useless. If I were in a position where I could do anything, I would speak.

[Question] In the reform of people, the system, and the structure, within your capacity, what have you done? What obstacles arose? What were the successes? If this is really implemented in the future, what difficulties do you think there will be?

[Answer] I have tried this for a long time. Take for example the reform of people. I developed a method of changing the attitude of the farmers and the rural population from the ordinary farmer to the central committee and members of the Farmers Association of Thailand, that is the leadership level and highest rank. I found that when I explained the facts reasonably and used the procedure of the seminar and correct training, these people changed their actions and attitudes. I call it a revolution. They gave up taking advantage of others and fraudulent practices. I affirm that I trained no fewer than four thousand farmers and rural leaders, dependent on expertise and few resources, as much as I could glean from everyone, in the period from 1977.

With reference to the government officials I developed a course of study to change their way of thinking, up to the C 6 level. I tried to do it in several working units, such as the border police, the development officers of the AED. These groups numbered several hundred persons. In the matter of developing the system, I attempted this when I was deputy secretary of the drought relief program and secretary of post-flood rehabilitation. I developed a method of giving prompt and rather accurate data to the village level, relying on existing government machinery. I developed a method of follow-up and evaluation for the officials and the people. There was very little cheating. I am brash enough to say that if there were a neutral assessment, the program I was responsible for had fewer "leaks" than any others, because I was confident that in establishing this system, it could be done. For development of the structure, I believe it can be done through the people. I worked with the Farmers Institute for three years. I think that if conditions are helpful, particularly relating to the laws, resources, and sincerity of the government, we can develop a structure of the people that is democratic, that takes responsibility toward themselves and society, and achieves efficiency in production in a short time. These are the things I have done and am confident can be done.



The chief obstacle lies in people, as I said, from the lowest level to the highest. I once tested one Minister of Agriculture. The farmers, facing hardships, went to see him. He invited them into his office, greeted them warmly, and tricked them to have faith in him by stating that "In 30 days I will solve the problem," though he was totally insincere. He thought that these dumb farmers in 30 days could not reassemble or leave their fields. I urged the farmers to return to demand he keep the promise when the time was up. It appeared that he had done nothing. Then he fled. This is the problem of lack of sincerity in people. The second problem is the divisive suspicion of the people. When anyone comes to work in the rural areas, he is looked upon in several ways. He may be thought a Communist. I think that is good because the Communist practice of working in the country is widespread. Let the people mistrust him at first, I agree. But they ought to ask him openly "Who are you?". Each place I go to, I am asked for what general, for what politician, for whom am I working. Besides this there is the obstacle of technology, scientific know-how. This I feel is rather minor. The main problem concerns people, the merchants, and local influence, which is also a matter of people. If we have the people receive their share of the success, it means that those who were taken advantage of were put under pressure. They are not satisfied. There the tool of destruction by public relations and slander grows. Support from the government generally is weak. It acts from mutual acquaintanceship not from policy. When I worked in development, I received help from provincial governors, district officers, agricultural officers or development workers. But they knew who I was, not that it was state policy. If it is a question of state policy, the answer is there is none or if there is one, there is no implementation.

[Question] What is your view on the present government policy of accelerated rural development?

[Answer] I look at it from its operation. I must praise the Economic Development Council at the time of Krit Sombatsiri, who was forced out by politics. Then he was succeeded by Saneh Unakun, the current Secretary General. He began the right way. He tried to put the rural problems into the official economic development plan. It was correct to have it as a supplement to the main plan; otherwise, it had no base. I read it in detail and saw the sincerity of the experts and planners who proposed it, but I observed some weaknesses. There were several points that did not conform to the truth. Also if the government does not reform people, the system, or the structure, the good intentions of the government are futile. There will be no success. More funds will be wasted each time. I repeat that the more one talks, the more one does, the greater the failure. It becomes the agency to make the people rise up angry and disappointed, a greater loss to the government.

[Question] In the rural revolution what are the main factors to help achieve the greatest success?

[Answer] I think the main factor is government power. I implore those now in power and those who desire state power in the near future to ask themselves in sincerity if they will develop the rural areas, not for their government's survival, but out of true feeling and sympathy and understanding of the

countryside. Secondly is the intellectuals. I wish we had the method they use to elect the Pope. Those who have the right to vote meet and close the doors. They are sent food and water. If they cannot decide, they cannot leave. In the same way we should take those who declare themselves experts and want to make a rural revolution, put them in a room, close the doors and not let them out, arguing reasonably and with the facts, with a referee to prevent fisticuffs. They keep on until their final decision is the best. The method is to take the facts and get unity of thinking. Now, whatever the government, it breaks down. If they trust all sides it breaks down. If they trust just their own side, they are opposed by others, then there is favoritism. This is a major problem. The third factor is the support system of the government. I want to ask the Under Secretary, all the directors general, to behave like a civil servant should, that is, those who serve the king. The king has a resolute mind and the integrity to correct the rural problems, but you are his servants. Do you have resolution and integrity? Do you play favorites, flatter, support fraud, without dirtying your hands? How much are you involved? You are the core in the government system. The final factor is the merchant group, all the businessmen. We now have a free system. I think that we ought to use moral principles to change the minds of men. I would agree with getting rid of 400-500 persons, but it will lead to the killing of many thousands. We should round up these 400-500 people and bring them into a seminar session, not just cast them aside. I expect that these are good and intelligent individuals. A lot of money has been transferred out of the country. What is left in Thailand cannot be a matter for decision. [as published] Or we shall do good in order to survive later. For money outside a nation, look at Iran. There are ways to keep you from using it. Finally, education in the broadest meaning is not education in school and is not education outside of school. It is just rotten that World Bank loans of 500 million are going to build living quarters and centers for government officials. The substance that really reaches the people is very little. We must provide education for the people through people's organizations and in creating unity of thought among them. At present we destroy the unanimity of the public.

[Question] If people in power can change, the change will be continuous. In a short period of time how will the revolution take place?

[Answer] I want to say that now the political instability of Thailand is the course of history. No one can stem it because when those in power do not have real authority, they just keep quiet. They cannot demonstrate leadership. It is a truth of political power since ancient times that mankind united as a community will have usurpation and challenge. The Communist Party of Thailand and the Communist terrorists have openly challenged the government all the time. They have raised the challenge in various forms, such as bombing the house of a general or the deputy prime minister. The prime minister must draw back his head into his shell in an armored car. State power at the center is no more, because it depends on whoever usurps it. He is the one who gets it. There will be the mutual contention until one has much power and the other groups are afraid. Then there is political stability. The problem for concern is that now the people with money have the right to challenge, because with money they can buy. I said on 13 March before the 11 March coup that the Thai army was destroyed at the National Assembly Building. I reiterate this. I am glad that Prachak, the leader

of the Young Turke, saw the truth of this after the failure, that the military ought to withdraw themselves from the National Assembly. It is necessary to talk about Prachak. I do not know anything but I follow the situation with concern. I think you are giving the wrong guideline to the people on revolution. I do not agree and it is necessary to speak out. I speak frankly again and might not please the national military who are good. I am of a family of soldiers. I must say that now there are not a few soldiers who can be bought if there is enough money. Many people, who have a great deal of money and want political power, have bought the military. I entrust this to the patriotic professional soldiers. You must eliminate these conditions. I hope that the three branches of the Thai forces are the bulwark that will fight to protect the democratic system and independence of Thailand. But now my hopes are diminished because this bulwark is cracking. It is the duty of the professional military to fuse the elements into strength.

Now I return to the challenge to state power. Whoever aspires to state power in the beginning has none. The way to win over other power groups is to be open and sincere with the people. If the revolution seizes power, in the first hour it must be announced to the people, not in the last hour when you are defeated. I warn you that the Communist Party of Thailand is skilled in this and has an information network of the highest level and of the broadest reach. They have carried basic plans of infiltration into various groups. If you call upon the people, call upon them well. Otherwise, you will be overwhelmed by a power higher than you. Then Thailand will go to ruin. In political affairs I think that there will not be elections but power struggles. There will be challenges to power in the National Assembly or the military. But frankly speaking, the truth is that power lies with the military, because they create the power challenges in the military groups and are infiltrated by the Communists and right wing politicians, who themselves are infiltrated by the Communists. Or if not infiltration, they will intervene to seize power from the military. This is an inescapable situation. If we love our nation, we do not want it to be Communist. We want the people to be better off. We must bring it about.

[Question] If there is this power struggle and no interest in solving the problems mentioned, is there any other way to help the farmers?

[Answer] There is no way because the resources that we have wasted since 1973 are no more. Thailand's purse is empty. I predicted the devaluation of the baht since 1979. In my political post I saw the statistics of the Finance Ministry, which were secret. I saw the trend. I saw that the value of the baht would drop and will continue to do so because we dissipate our funds. In such circumstances there are only the promises which bore people. They are bitter and angry. When the day of the farmers' revolt comes, if there are no Communists in it, I know that one farmer leader from the provinces will mobilize the farm tools that he has, the hoe, spade, sickle, plow, put them in his truck, then go throw them in front of the provincial government hall. I say he is out of his mind. He works his rice fields, he loses. He stops work, he is willing to starve to death. He becomes a refugee. It is better to eat UN rice. But I have forbidden him to do it. He feels that he is in jail. He is furious to the point of explosion. When this situation is reached, the reasons of moral principles, peaceful methods cannot restrain the people, without the need of Communists. I say that there are no Communists in the world. History teaches that farmers revolt because there is no other way.

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